



September 15, 2017

VIA ELECTRONIC FILING

Ms. Jocelyn Boyd
Chief Clerk and Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Dear Ms. Boyd:

Re: Filing of RSA Quarterly Monitoring Report
Docket No. 2017-7-G

Pursuant to Section 58-5-430 of the South Carolina Natural Gas Rate Stabilization Act ("RSA"), enclosed is the quarterly monitoring report of Piedmont Natural Gas Company, Inc. for the twelve-month period ending June 30, 2017.

If you have any questions about this report, please do not hesitate to contact me at 704-731-4259.

Sincerely,

/s/ Pia Powers

Pia Powers
Director – Gas Rates and Regulatory Affairs

Enclosures

c: Matt Schellinger
Jeff Nelson
Bruce Barkley

Net Operating Income and Rate of Return
For The Twelve Months Ended June 30, 2017
South Carolina
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	(1)	(2)	(3)
	Per Filing	Accounting And Pro Forma Adjustments	After Pro Forma Adjustments
Operating Revenues			
Sale of Gas	\$ 127,285,736	\$ 13,199,462	\$ 140,485,198
Other Operating Revenues	684,522	-	684,522
Total Operating Revenue	<u>\$ 127,970,258</u>	<u>\$ 13,199,462</u>	<u>\$ 141,169,720</u>
Operating Expenses			
Cost of Gas	\$ 51,033,701	\$ 13,034,553	\$ 64,068,254
Other Operation & Maintenance	36,160,859	(523,147)	35,637,712
Depreciation	12,358,631	1,263,408	13,622,039
General Taxes	7,036,627	86,792	7,123,419
State Income Taxes	338,423	364,820	703,243
Federal Income Taxes	3,396,762	1,279,802	4,676,564
Amort. of ITC	(20,976)	-	(20,976)
Total Operating Expenses	<u>\$ 110,304,027</u>	<u>\$ 15,506,228</u>	<u>\$ 125,810,255</u>
Net Operating Income	<u>\$ 17,666,231</u>	<u>\$ (2,306,766)</u>	<u>\$ 15,359,465</u>
Interest on Customer Deposits	(74,897)	-	(74,897)
Amortization of Debt Redemption Premium	-	-	-
AFUDC	423,633	-	423,633
Customer Growth	166,063	(21,684)	144,379
Net Operating Income For Return	<u>\$ 18,181,030</u>	<u>\$ (2,328,450)</u>	<u>\$ 15,852,580</u>
Original Cost Rate Base			
Plant in Service	\$ 588,408,206	\$ -	\$ 588,408,206
Accumulated Depreciation	(222,707,642)	-	(222,707,642)
Net Plant in Service	<u>\$ 365,700,564</u>	<u>\$ -</u>	<u>\$ 365,700,564</u>
Add:			
Construction Work in Progress	18,970,581	-	18,970,581
Materials and Supplies	7,371,522	-	7,371,522
Cash Working Capital	5,313,274	(620,474)	4,692,800
Deduct:			
Customer Advances for Construction	-	-	-
Customer Deposits	2,096,940	-	2,096,940
Accumulated Deferred Income Taxes	72,058,493	-	72,058,493
Unclaimed Funds	107,185	-	107,185
Total Original Cost Rate Base	<u>\$ 323,093,323</u>	<u>\$ (620,474)</u>	<u>\$ 322,472,849</u>
Return on rate base	<u>5.63%</u>		<u>4.92%</u>

Net Operating Income and Rate of Return
 For The Twelve Months Ended June 30, 2017
 South Carolina
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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	After Accounting and Proforma Adjustments								
	Per Books Capitalization	Accounting and Pro Forma Adjustments	Settlement Capitalization	Calculated Ratio %	Ratio %	Cost Net Investment	Embedded Cost %	Overall Cost Rate %	Net Operating Income
1. Long-Term Debt	\$ 1,782,046,390	\$ 267,199,230	\$ 2,049,245,620	55.99%	47.00%	\$ 151,562,239	4.62%	2.17%	\$ 7,002,175
2. Common Equity	1,610,528,512	-	1,610,528,512	44.01%	53.00%	170,910,610	5.18%	2.74%	8,850,404
3. Total	<u>\$ 3,392,574,902</u>	<u>\$ 267,199,230</u>	<u>\$ 3,659,774,132</u>	<u>100.00%</u>	<u>100.00%</u>	<u>\$ 322,472,849</u>		<u>4.92%</u>	<u>\$ 15,852,580</u>

CERTIFICATION

I, Lynn J. Good, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Lynn J. Good
Chairman, President and CEO



Date Signed

Subscribed and Sworn to before me this
11th day of September, 2017.


Notary Public

My Commission Expires 11/16/17.



CERTIFICATION

I, Steven K. Young, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

Steven K. Young
 Steven K. Young
 Executive Vice President and CFO

9/11/17
 Date Signed

Subscribed and Sworn to before me this
11th day of September, 2017.

Amy E. Lively
 Notary Public

My Commission Expires 11/14/17.



CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached *Quarterly Monitoring Report* is being served this date via email and UPS Overnight upon:

Jeffrey M. Nelson
Office of Regulatory Staff
1401 Main Street
Suite 900
Columbia, South Carolina 29201
jnelson@regstaff.sc.gov

And that a copy of the attached *Quarterly Monitoring Report* is being served this date via email or U.S. Mail upon:

Bruce Barkley
Vice President
Regulatory and Community Relations
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
bruce.barkley@piedmontng.com

and

Pia Powers
Director – Gas Rates & Regulatory Affairs
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
pia.powers@piedmontng.com

This the 15th day of September, 2017.

/s/ Richard K. Goley
Richard K. Goley